

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industries & Commerce Department – Food Processing Policy of Andhra Pradesh State
2010-2015 – Orders – Issued.

INDUSTRIES & COMMERCE (FP) DEPARTMENT

G.O.Ms.No. 62

Dated:29-06-2010

Read the following:

- 1)GO Ms.No.179 Industries & Commerce (FP) Department, Dated: 22-06-2005.
- 2)G.O.Ms.No.30 Industries & Commerce (FP) Department, dated.30.01.2006.
- 3)G.O.Ms.No.350 Industries & Commerce (FP) Department, dated.15.12.2007.
- 4)G.O.Ms.No.79 Industries & Commerce (FP) Department, dated.17.03.2008.

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ORDER:

In the Government Order 1st read above, orders were issued evolving Fresh Food Processing Policy of Andhra Pradesh duly extending the reimbursement of cost of power @Rs.1/- per unit for a period of 5 years with effect from 01.04.2005 and also allowing the Food Processing Units which have gone into commercial production on or after 14.11.2003 for reimbursement of cost of power, which was concluded by 31.03.2010.

2. In the Government Order 2nd read above, Government have issued orders to apply ‘ipso facto’ of the operational guidelines issued in G.O.Ms.No.328 Industries & Commerce (IP) Department, dated.13.12.2005 in respect of the units covered under Fresh Food Processing Policy of Andhra Pradesh subject to certain conditions and in the Government Order 3rd read above, Government have amended the item No.2 of the Government Order 1st read above. In the Government Order 4th read above, Government have also amended the para No.4(a) of the Government Order 2nd read above.

3 Though Andhra Pradesh ranks first and second in the production of various fruits, vegetables and other commodities, but only 1-2% of it is being processed and felt that there is a need to utilize the resources for value addition within the State. It is proposed to give a special focus to food processing industry by extending the benefits for a period of 5 years from 1.4.2010 to 31.03.2015.

4 After detailed examination and after having discussions with various industrial Organizations such as CII, FAPSIA, FICCI and taking into consideration of recommendations of Industrial Associations, the Government approved the State Policy on “Food Processing Industries” as detailed below:

Coverage:

The Policy will cover the following activities and areas:

4.1.1. HORTICULTURE:

Fruit & Vegetable processing

Fruit based ready to serve beverages.

Tissue culture Laboratories/Green houses/Green house nurseries/Mushroom Laboratories/Seed production units based on modern scientific methods to meet industry standards

Wine making

4.1.2 AGRICULTURE:

Food grain milling/processing using modern technology and equipment (except Rice Mills)

4.1.3 ANMIMAL HUSBANDRY

Dairy products

Processing of poultry, eggs, meat and meat products

4.1.4 FISHERIES

Fish processing including shrimps

4.1.5 AGRO FOOD PROCESSING INDUSTRIES:

Bread, Oilseed meals (edible), breakfast foods, biscuits, confectionery, including cocoa processing and chocolate, oil expellers and refining, malt extract, protein isolates, high protein foods, weaning foods, extruded/other ready to eat food products and all other processed foods (excluding non packed food items served in Hotels and Restaurants of all categories)

4.1.6 ALLIED INDUSTRIES:

Cold Storage unit

Refrigerated Transport vehicles containers; (excluding second hand Refurbished vehicles/containers)

Units manufacturing food grade packaging materials for food processing Industry

Units engaged in packaging, canning and bottling of process foods.

Units manufacturing additives/preservatives/colors/fragrances for the processed food industry

Biotechnology industries

5. INCENTIVES AND CONCESSIONS:

5.1.1. To declare food processing as seasonal industry, where ever necessary and eligible to enable the industry to get relief from minimum electricity charges during the closure (non-seasonal) period.

5.1.2. To extend 25% cost of external infrastructure for power, water, approach roads and other infrastructures limited to Rs2.00 Crores.

- 5.1.3. To provide VAT / State Goods & Services Tax Reimbursement for Mega Food Parks during the construction period for a period of 2 years limited to a maximum Rs.2.00 Crores.
- 5.1.4. The Food Parks sanctioned under Mega Food Park scheme of Government of India would be considered for Tailor-made benefits on case to case basis.
- 5.1.5. Fixed power cost reimbursement @ Rs.1.00 per unit (upper ceiling) on the proposed revised rates (2010-11) for 5 years. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
- 5.1.6. All eligible industries/enterprises under Food Processing will also eligible for other benefits as per the Industrial Investment Promotion Policy 2010-2015.
6. The Commissioner of Industries, Andhra Pradesh, Hyderabad shall be the Nodal Agency to implement the fresh Policy.
7. The State Level Committee of the Industries Department shall decide and finalize all cases relating to the incentives/benefits to the Food Processing Industries in the State.
8. Operational guidelines for the implementation of the Food Processing Policy shall be issued separately.
9. The Food Processing Policy 2010-2015 will come into effect from 01.04.2010.
10. This order issues with the concurrence of Finance (Exp.I&C) Department, vide Peshi No.8440 of Principal Finance Secretary (FP) dated.26.6.2010.
11. Copy of this order is available on Internet and can be accessed at address <http://goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J.C. SHARMA
PRINCIPAL SECRETARY TO GOVERNMENT
(FOOD PROCESSING)

To
The Commissioner of Industries, Andhra Pradesh, Hyderabad.
All Principal Secretaries/Secretaries to Government.
All Heads of Departments.
All Collectors
All Departments in Secretariat.
The Accountant General, Andhra Pradesh, Hyderabad.
The Vice Chairman & Managing Director, Andhra Pradesh State Industrial Infrastructure Corporation Limited, Hyderabad.
The Vice Chairman & Managing Director, Andhra Pradesh State Financial Corporation Limited, Hyderabad.
The Vice Chairman & Managing Director, Andhra Pradesh State Industrial Development Corporation Limited, Hyderabad.
Copy to:
The Secretary to Government of India, Ministry of Food Processing Industries,
Panchsheel Bhavan, August Kranti Marg, New Delhi-110 049.

Principal Secretary Chief Minister.
P.S. to Minister for (Major Industries / Agriculture / Horticulture / Energy /
SSI / Fisheries / Animal Husbandry)
P.S. to Chief Secretary.
P.S. to Principal Secretary to Government & CIP,
Industries & Commerce Deptt.
P.S. to Secretary to Government, Industries & Commerce Department.
The Government Pleader for Industries & Commerce,
High Court of A.P. Hyderabad for information.
Sc./sf.

//Forwarded::By order//

SECTION OFFICER